



**Keith Bezant-Niblett**  
*Associate Vice President*

As Managing Partner and Faculty Member for PA Management Development Practice, Sundridge Park Business School (United Kingdom), he utilized his skills in strategy, management and marketing techniques to develop programs, lecture and consult with clients in a multitude of industries. At Cranfield University School of Management, he was Client Partner and Academic Director for customers from the insurance, banking, trading, manufacturing, retail, telecom and other industries. Keith holds a post-graduate Masters degree in Management Studies and two Masters qualifications in Marketing Behavior and Marketing Strategy, and a Masters in Music.

**Thunderbird Learning Consulting Network**  
152489 N59<sup>th</sup> Avenue  
Glendale, AZ 85306

Office: (602) 978-7675  
Fax: (602) 439-4851  
E-mail: [Niblettk@t-bird.edu](mailto:Niblettk@t-bird.edu)

*We're on the Web!*  
<http://www.thunderbird.edu/tlcn>

## **Developing a Global Strategy: Oft Discussed but rarely coordinated or successfully implemented**

**Summary:** Nothing divides boards more, nor causes heated arguments amongst senior managers more than the formulation and implementation of global strategy. Strategy is always open to interpretation and opinion, largely around cost, risk and speed of market entry or development. This article highlights the logic and the process that all organizations must do to gain sufficient information and forecasts to enable them to embark upon a Global Strategy. The opinions and the feelings are up to individual teams of decision takers.

### **Strategy Formulation and Implementation in all Organizations**

Strategy occurs at three levels:

1. **Corporate Strategy:** Deals with surviving and thriving; sets overall long term objectives; determines the scope of the business portfolio; manages the overall finances and often shareholder expectations; considers organizational competences and is coordinated amongst business streams. Resources are frequently allocated as a result of portfolio choice, and so the decisions about Global Strategy often reside here. The decisions tend to be around which business streams, in which region, and at what rate of return.

*At Corporate Strategy level, the following diagnostics are very important:*

- *'Where are we now' indicators:* This could be developed by country, by region, by verticals, or by market segments, by clusters of business streams, or even ranges of individual products and services, but the key is to understand the data. Questions normally are related to trade conditions, market share and market growth, stages of life cycle and therefore price, cost and contribution. Underlying key questions must be related to competitors in all forms, stakeholders in chosen markets, and the customs and practices found in a region, a location or even in a vertical.
- *'Where do we want to be' projections:* These build on the 'where are we now' indicators, using further analysis to develop strategic choices. These strategic choices are often developed into a series of portfolio analyses which consider products, markets and competitors to enable interpretation and opinions to be formed. A major consideration at this stage is frequently centered on acquisition strategy to fill market gaps, to enter new markets, or to secure existing markets. A trend is also to consider alliances and partnerships, often with local incumbents in a geographic market. These often time consuming relationships should always be accompanied by a mutual value add analysis. Once agreement

has been reached about a mission and a vision, this is often broken down into Business Unit Goals and Objectives for one year, and anything



up to four years. These form the fundamentals of the next level, Business Strategy.

Only at this level can all-embracing global strategy be decided. It is an important to observe that nearly all organizations are not truly global. Because of their history or their aspirations, most organizations will be cautious about geographic entry strategies that fundamentally change their business model. Selectivity appears to be the rule.

2. **Business Strategy:** Is coordinated amongst functions and tends to have a one- or two-year time horizon. Business Strategy is based on the goals and objectives given by Corporate, and will be related to market and product development, growth and profit objectives. Go-to-market strategies are built at this level, joint business plans with partners are created. Much time is spent considering the development of competitive advantage by considering business chain elements, upstream and down stream. Marketing, distribution, and systems plans and policies are created and implemented at this level.

- Many of the tools used at Corporate Strategy level could be repeated here. If, for instance, the goal is to market to mining companies in Peru, both macro and micro environmental scanning will be needed for this vertical, including a detailed competitor analysis. Once this is concluded and the competitive advantage that matches a need is determined, a portfolio of attractive prospects would be developed and once understood, a potential solution from the correct product or service range would be considered with a full benefits analysis. This classic Business Strategy Planning would ensure that the organization is entering the right country in the right vertical, and talking to the right set of prospects with the potential to be able to propose the right solutions.

The outcome of the many business strategies (with separate missions and visions, building from the Corporate Strategic statements) would be a series of key actions and critical issues, that would be specific and measurable and time bound that could be then acted upon at functional level.

3. **Functional Strategy:** At this level, leadership is so important, from top down and bottom up. Functional strategy has much to do with coordinating amongst functions. Pricing strategies, promotion campaigns, production and delivery schedules means there has to be much integration and balancing between functions to achieve a common goal

### **What does this mean?**

Global Strategy should start with Corporate, but frequently, in reality, it starts with Business Strategy. Business level is very driven by expansionist targets and goals, and so by attempting to service the ever expanding needs of a key customer, individual business units can travel to far distant foreign lands with that customer, with nodding acquiescence from Corporate, as long as the Unit is 'beating the budget.' Functional strategy in all regions and countries and verticals within these countries, is actually the way in which Global strategy is translated locally. So for global strategy to work, you do need local presence and local understanding. This of course means that all organizations must be "Glocal."

Written By:

Keith Bezant-Niblett  
*Associate Vice President*